

DATE: February 13, 1992  
TO: M. J. Macdonald  
FROM: Kirvil Skinnarland and Fred Butler  
SUBJECT: Status of Activities at Georgetown Steam Plant and  
Slip Four

Last week (February 3, 1992) staff from Environmental Affairs, Engineering, Property Management, and the Law Department met to discuss various activities which affect City Light property at the above location. The purpose of this memo is to update you on the status of these activities and our recommendations.

Late last year, Evergreen Marine Leasing (EML) claimed that an attempted sale of their property, including Slip Four and some upland parcels, could not be consummated due to the presence of PCB contamination on their property. EML threatened a lawsuit against the City unless they were indemnified from future liability for contamination on their property; they also demanded compensation for damages (costs incurred from the lost sale, as well as legal and consultant costs). At our meeting last week, we agreed that Law will contact EML to reject their demand, and determine their interest in discussions to settle the contamination issue. We want EML to assist us in obtaining the participation of other parties, including King County and Boeing as they are likely contributors to environmental contamination of the area.

Engineering was preparing a CIP proposal and design for abandonment (filling in) of the Georgetown Steam Plant Flume. In addition to abandonment, alternate drainage of storm water would need to be determined; this activity would likely be coordinated with King County and the Engineering Department (Drainage and Wastewater Utility). Given the many legal issues to be resolved, we agreed that there will be no further work on this project at this time.

City Light leases property to Boeing. The Boeing lease will expire at the end of this year. Law will work with Property Management to establish acceptable lease conditions and language. Negotiation of the leases represents a key opportunity to obtain Boeing's and King County's cooperation in resolving the contamination and liability issues related to Slip 4. However, negotiations should not be initiated until EML communicates their intended actions to City Light.

Property Management also noted that King County has expressed an interest in buying our property. For obvious reasons, no sale should be contemplated until all of the legal issues are resolved. The issue of the

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Friends of the Georgetown Steamplant also was discussed. There were questions as to whether they had complied with the lease conditions. All agreed that our negotiations and resolution of these matters would be simplified if the Friends were not involved in the property.

EAD has planned a scope of work to conduct a site assessment in support of all of the above activities. This work would determine and evaluate the nature and extent of contamination, and attempt to identify sources of contamination. The actual tasks to be performed will be determined after Law receives a response from EML. If there is a joint effort among SCL, SED, Boeing and King County to study the area and develop plans to solve contamination and drainage issues, SCL will need to identify a source of funds for this, their part of this effort.

At the conclusion of this meeting, all participants agreed to the following:

- All activities involving City Light property at this location will be placed on hold, pending a decision by Evergreen Marine Leasing to bring a lawsuit or negotiate a long-term settlement of contamination issues affecting their property.
- The lease with the Friends of the Georgetown Steam Plant will be examined to determine compliance with their obligation to maintain insurance for their activities.
- Any discussions concerning the fate of leases to Boeing and King County shall include Property Management and Law.
- Law will contact EML to see whether they will assist in involving Boeing and King County in discussions to resolve the drainage and contamination problems in the area. Law will also attempt to contact Boeing independently.

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